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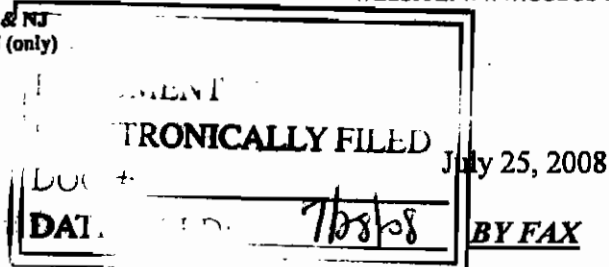
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Hon. Colleen McMahon
 Daniel Patrick Moynihan
 United States Courthouse
 500 Pearl St., Room 640
 New York, NY 10007

Re: Taiwan Navigation Co. Ltd., et al. v. Swellchief Shipping Co., Ltd.
 Southern District of New York - 08 Civ. 4380 (CM)
 Our File: 500126.33

Dear Judge McMahon,

We represent Taiwan Navigation Co., Ltd. (hereinafter "TNC"), in the above-referenced action, and write to provide a status of the action and respectfully request that the initial pretrial conference for this matter be cancelled entirely for the reasons explained in more detail below.

An initial conference had been scheduled for this morning at 10:30 am. Apparently, we did not receive notice of an adjournment of the conference in time and did arrive at courtroom 21B as directed in this Court's Order Scheduling an Initial Pretrial Conference, dated May 20, 2008. It is important to note that no representative for Swellchief Shipping Co., Ltd. (hereinafter "Swellchief") attended today, even though we sent Swellchief notice of this initial conference on May 22, 2008 and again on June 10, 2008 by letters that were both E-mailed and sent by DHL courier with delivery confirmed. Not wanting to keep the Court waiting this morning, we called Chambers and learned that this initial conference had been adjourned. During our conversation about the above-referenced action, it was suggested that we provide a status of the action by fax and request that the initial pretrial conference be cancelled.

Cancelled
Place for signature
Colleen McMahon
 7/28/08

The instant action began as an ex-parte Rule B proceeding initiated by Plaintiffs TNC against Defendant Swellchief on the basis of damages resulting from the breach of maritime contracts involving the use of several ocean-going vessels for hire. Following the attachment of funds, TNC provided notice of the attachments and the legal action in New York on two separate occasions, May 22nd and June 10th, by E-mail and DHL courier. Defendant Swellchief has failed to respond to our notice letters, has not answered in this action, and has not appeared by filing or in person today, as noted above.

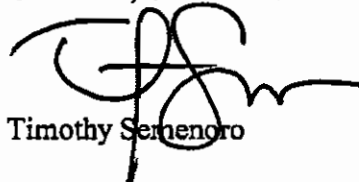
The subject maritime contracts provide that all disputes arising therefrom are to be litigated before the High Court in Hong Kong and subject to Hong Kong law. On June 16, 2008, solicitors, acting on behalf of TNC and in accordance with the provisions of the maritime contracts, initiated an action against Swellchief before the High Court of the Hong Kong Special Administrative Region. Even though properly served with notice of the action before the High Court, Swellchief failed to answer or appear in a timely manner and a Judgment did issue from the High Court against Swellchief on July 7, 2008. This Judgment has been served on Swellchief and, as we understand it, the time for Swellchief to appeal the Judgment has yet to run. It is our intention to file a motion in this action to have the Judgment of the High Court in Hong Kong recognized and enforced as against the attached money of Swellchief shortly after the right to appeal is extinguished.

In short, there will be no discovery taken in this action, and the merits of the underlying claims will not be litigated before this Court. Instead, the entire action will be decided by motion. There have been no previous requests of this type and, as Swellchief has failed to appear or participate in this or the underlying action, our adversary has offered no opinion to consider. Under these circumstances, we respectfully request that the initial pretrial conference be cancelled.

We thank this Court for its attention and understanding. If there are any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

CHALOS, O'CONNOR & DUFFY



Timothy Senenoro